

City Hall Blue Ribbon Committee
Meeting #3 Summary & Zoom Chat Log

October 29, 2020
Zoom Video Meeting

CHBRC Present: Val Ballestrem, Alicia Hamilton, Greg Hemer, Haley McCoy, Tory McVay, Tracy Orvis, Wilda Parks, Mark Stehn, Nancy Tice

CHBRC Absent: Donna Baten, Tina Fuenmayor, Martha Germany, April Gracz

City Staff Present: City Recorder Scott Stauffer, Community Engagement Coordinator Jason Wachs, Development Project Manager Alison Wicks

Presenters: Jerry Johnson, Johnson Economics; Sara Daly, Commercial Real Estate Broker

Audience: Elvis Clark

The meeting was called to order at 6:36 p.m.

Welcome and Introductions

The group introduced themselves and commented on their Halloween plans.

City Hall Operations

Mr. Stauffer and **Ms. Wicks** presented information on the condition and maintenance of city hall as reported by the city's fleet and facilities manager. They noted that the building was expected to require about \$1.3 million in improvement projects over the next two decades and that city staff estimated that it cost about \$180,000 a year to operate and maintain.

The group discussed the improvement projects and estimated operational costs. They asked for additional information about landscaping and janitorial costs and how the costs of the anticipated improvement projects were factored into the building's annual operations estimate. **Ms. Wicks** and **Mr. Stauffer** noted they would ask for the additional information and report back to the committee.

It was noted that, via the Zoom chat, Mr. Clark asked what the city anticipated the annual maintenance cost would be for the new city hall building.

Ms. Wicks confirmed that she would share the 2018 city hall facility condition assessment with the group.

City Hall Financial Goals

Ms. Wicks discussed the city's financial ability and goals related to selling or leasing city hall. The group discussed whether a government agency could lease a building. **Mr. Hemer** asked staff to provide examples of other government-owned buildings being leased.

Mr. Stauffer presented and discussed the park restriction paragraph in the city hall deed. The group discussed the deed restriction and observed that the deed did not specify what part of the city hall site was to be maintained as a park. They noted that the North Clackamas School District (NCSD), as the entity that had succeeded the previous school district which had placed the deed restriction, had the authority to remove the restriction.

Mr. Stauffer reported that in November 2019 the city had asked the NCSD Board to remove the deed restriction to allow for more flexibility in the future use of the site. **Mr. McVay** reported that the NCSD Board wanted to ensure that the community had a voice in the future use of the site before looking at removing the deed restriction. He agreed that the restriction would make it harder to develop the site.

Regional Real Estate Market Overview

Mr. Johnson presented and discussed real estate data and trends for the Portland metropolitan region. He noted the impacts of the coronavirus (COVID-19) pandemic and commented on what the decline in interest in the downtown Portland urban core would mean for development projects and renters in suburban communities like Milwaukie.

Ms. Daly agreed with Mr. Johnson's remarks and commented on the uncertainty in the regional real estate market. She agreed that downtown Milwaukie was in a good position to support the return of local retail and restaurants. She observed that city hall was the heart of downtown and presented a good opportunity for a publicly engaging use. She and **Mr. Johnson** remarked that interest in coworking space, shared office space, had declined due to the pandemic and need to maintain social distancing in the workplace. They discussed the possibility of city hall as a multiple tenant space for non-credit businesses.

Mr. McVay asked if a highest and best use had been identified for city hall and **Ms. Daly** reported that there was no consensus on the site's best use yet.

Mr. Hemer asked if the region was still seeing the in-migration pattern it had experienced in recent decades. **Mr. Johnson** commented on the lack of certain data points on migration patterns due to the pandemic and reported that there were still signs that people continued to move into the region. He and **Ms. Daly** remarked on the attractiveness of Milwaukie for renters and businesses as a near-urban center community with low density and a unique culture different from Portland.

Mr. Hemer observed that there were multiple empty or developable sites adjacent to city hall. He asked if the site's location would make it unattractive for lease or development projects. **Ms. Daly** noted that downtown Milwaukie was small and very walkable. She did not think city hall's location would hinder its future use. She believed increased density would help downtown Milwaukie.

Mr. Hemer asked about the importance of providing parking on or near the city hall site to support its future use. **Mr. Johnson** and **Ms. Daly** discussed the odd shape of the city hall building, noting how its uniqueness might attract or hinder developers' interests. They commented on the possibility of doing something fun with the outside areas of the site.

Ms. Daly asked what the committee wanted to know. The group noted that there was a lack of population density in downtown to support a large grocery store but a smaller grocer with a deli might work. It was noted that the city had not settled on any outcome, in terms of selling or leasing the site.

Ms. Hamilton noted that city staff had estimated that maintaining the facility cost about \$180,000 a year. She asked if that was a reasonable estimate. **Ms. Wicks**, **Ms. Daly**, and **Mr. Johnson** agreed that any future tenant would need to reimagine how the inside of the building was used, which would require reconfiguring inside walls, which would be expensive. They noted the building was not listed on an historic registry and that the city would regain property tax revenue if the building were sold to a private entity.

Ms. Daly observed that certain buyers may want to purchase the building with the idea of land banking it for a few years until the market is in a better place.

Community Engagement: Online Open House

Ms. Wicks reviewed the committee's community engagement timeline, noting that the online open house would run from mid-November to mid-December. **Mr. Wachs** provided an overview of the city's recently acquired online platform, Bang the Table, that would be used to support the committee's engagement work. He and **Mr. Hemer** discussed the value and use of the online tools offered by Bang the Table, including surveys, videos, quick polls, and open-ended questions. The group noted how the public would access the site, that committee members would be asked to spread the word about the online open house, and that users would need to register.

Ms. Wicks reported that the previously formed subcommittee on the online open house questions would continue to refine what questions would be asked.

The group remarked on what community meetings and social media groups could be used to spread the word about the online open house.

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Wrap-up and Next Steps

The group noted next steps including the online open house and that the next committee meeting would be held in January 2021.

Mr. Hemer asked about the impact of the park deed restriction on the taxation and maintenance of the city hall site. **Mr. Stauffer** commented on how the deed restriction could be addressed if the site was redeveloped.

The meeting was adjourned at 8:28 p.m.

Zoom Webinar Chat Log

 Zoom Webinar Chat — □ ×

From Alicia Hamilton to All panelists:

Forgot. I am with the Arts Committee and live in Island Station.

From Elvis Clark to All panelists:

But need compare cost of maintenance of old building with new building. Need to look at incremental cost of the current City Hall.

From Elvis Clark to All panelists:

I think the park covers certain of the lots, and so would seem lot specific.

From Greg Hemer to All panelists:

just a reminder if Jerry could share his slides with the group